5

6

9

10

11

13

14

15

16

17

18

19

20

22

23

24

25

26

27

28

29

The receiver and its agents, attorneys and accountants shall have the right to petition this Court for such fees and expenses as are appropriate which might result from its duties in this litigation and shall have the right of indemnification as may be approved by the Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court will appoint a special counsel for the companies not objectionable to the Commission and acceptable to this Court and does hereby appoint as such John R. McDonough of Los Angeles, California, who shall

- (a) conduct a full investigation into the financial and other affairs of the companies to the date of his appointment and report to this Court, the independent boards of trustees and the Commission his findings and recommendations for action. Such investigation shall include and consider, but not be limited to, those matters set forth in the Commission's complaint in this action, the Receiver's reports heretofore filed in this action, and such other matters as the Court, the Commission or the boards of trustees appointed herein shall designate. Subject to the approval of this Court, the special counsel shall have the authority to hire accountants or such other experts as he feels are necessary and appropriate to be compensated at this Court's discretion.
- (b) take all action as may be appropriate in the best interests of the companies and their public investors where authorized by the boards of trustees including the institution, continuation and prosecution of motions,

-8-